# Every Student Counts:
The Case for Graduation Rate Accountability

In passing the No Child Left Behind Act (NCLB) in 2001, members of Congress from both parties acknowledged the importance of addressing the significant achievement gaps between students of differing racial, ethnic, economic, and linguistic backgrounds. In the years since the law's enactment, further data has highlighted the glaring inequities that continue to exist in and between schools, districts, and states across the country. NCLB was designed to address these gaps by holding schools accountable for the success of every student enrolled. However, the legislation fails to address a key measure of a successful high school: who graduates?

Who's Graduating in the United States?
About 70% of all students in the nation graduate from high school with a regular diploma.

Asian — 80%
White — 76%
Hispanic — 58%
African American — 53%

27% Gap

(EPE 2008)
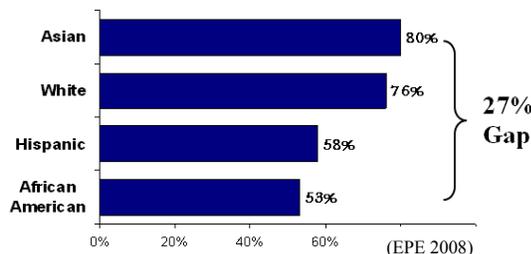
Only about a third of the students who enter ninth grade each fall graduate four years later prepared for college or work. Another third leave high school with a diploma but without the skills and knowledge needed to succeed in postsecondary education or the twenty-first century workplace. The remaining third do not graduate from high school within four years, if at all (Greene 2005).

Poor and minority students are disproportionately affected by the dropout crisis. It is estimated that only slightly more than half of African American and Hispanic students graduate on time from high school with a regular diploma, compared to nearly 80 percent of whites (Editorial Projects in Education 2008). High school students from the wealthiest family backgrounds are about seven times as likely to complete high school as their classmates from the poorest (U.S. Department of Education. National Center for Education Statistics 2007).

Graduating students—with the knowledge and skills that prepare them for the challenges that come after high school—should be the central purpose of any high school. Graduation rates are a fundamental indicator of whether the nation's public school system is doing what it is intended to do: enroll, engage, and educate youth to be productive members of society. But graduation rates are not just a "bottom line" for schools—they are critical predictors of individual achievement and have undeniable consequences for communities, states, and American society.

The nation needs an educated workforce if it is to maintain productivity, innovation, and a strong economy. Dropouts from the Class of 2008 alone will cost the nation more than $319 billion in lost wages, taxes, and productivity over the course of their lifetimes (Alliance for Excellent Education 2008). For individuals, graduation from high school is a critical gateway to successful participation in the workforce, economy, and society. In years past, a high school diploma was the minimum requirement for employability; today, almost 90 percent of the fastest-growing and

best-paying jobs require some postsecondary education (U.S. Department of Labor 2006). In order to ensure that every student, regardless of race, ethnicity, or income, has the opportunity for a bright and vibrant future and that the nation is producing the human resources it needs to remain strong, schools must be held accountable in a meaningful way for graduating all students prepared for college and the modern workforce.

The Graduation Rate Charade

The No Child Left Behind Act mandates that every school be held accountable for making Adequate Yearly Progress (AYP) by meeting several academic goals. High schools are supposed to annually assess students in at least one grade in reading and math, and to track their graduation rates. If a school meets the annual benchmarks for those indicators, and subgroups of students each meet their targets for test scores, the school is designated as having "made AYP" for the year. However, misleading, inconsistent definitions and poor implementation have undermined the accuracy of graduation rates to the point at which the indicator is effectively useless in determining the success of a high school. Moreover, the law does not hold schools, districts, or states accountable for meaningfully improving graduation rates, in contrast to its strong emphasis on improving test scores.

Graduation rates are inaccurate and incomparable across states

On the surface, NCLB's definitions and requirements appear adequate to ensure accurate, comparable calculations. The law defines graduation rates as "the percentage of students who graduate from secondary school with a regular diploma in the standard number of years." Unfortunately, a dearth of clarity, enforcement, capacity, and initiative has led to the current use of four different, federally approved calculations that render rates incomparable across states, and which often overestimate the number of students who graduate on time with a regular diploma. As a result, the graduation rates that are publicly reported and used for accountability purposes do not reflect actual student outcomes. In fact, comparisons between the graduation rates that states report for NCLB accountability and estimates

> ### Who is Counting Whom?
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> According to available data there are **four** different categories of graduation rate calculations in use by states across the country, and many of them are staggeringly inaccurate. The most common calculation is called the **"leaver rate"**, used by **thirty-two** states (EPE 2008). This rate divides the number of graduates by the sum of graduates, other completers, and documented dropouts. It is inaccurate because it includes students who graduate without a regular diploma and it depends on unreliable dropout data that often inflates the graduation rate by excluding all students who drop out without officially notifying the school of their departure.

by the respected, independent Editorial Projects in Education Research Center show that state rates are an average of 12 percentage points higher than independently calculated rates, and these differentials go as high as 30 percentage points (EPE 2008).

The problem of having so many clearly inaccurate calculations approved by the U.S. Department of Education is exacerbated because some states have also found a way to "game" the system. As a student progresses through and out of a school system, the district attaches an exit code to the student's records. That code determines how he or she is counted in the graduation rate calculation. While some states have only a few exit codes, such as "dropout", "transfer", and "graduate", others have upwards of fifty different ways of categorizing students (National Forum

on Education Statistics 2006). In many of these cases, students who exit the system in ways that make them dropouts by any common sense definition (e.g., they have enrolled or plan to enroll in a GED program, have been incarcerated, or have left without reporting a reason) are placed in separate categories and are counted as neither dropouts nor graduates—for the purposes of the graduation rate calculation, they simply cease to exist. As a result, a state's coding practices can contribute to producing questionably high graduation rates that clearly do not account for every student.

The disparities between state graduation rate calculations gained national attention in 2005 when all fifty of the nation's governors signed the National Governors Association's Graduation Rate Compact, pledging to adopt accurate and consistent measurements of high school graduation. The Compact was an important acknowledgement that the accuracy of graduation rates across states varies widely, and was a critical step in establishing the importance of the issue. Unfortunately, despite agreeing to do otherwise, most states have continued to use poor calculations for accountability purposes. Further, several states have since backed out of the Compact completely (National Governors Association Center for Best Practices 2006).

No Yearly Progress is Adequate Yearly Progress?

NCLB requires each state to set a final graduation rate target for the year 2014, and to establish interim goals to be met along the way. However, weak accountability requirements have allowed states to set graduation rate goals as low as 50 percent. Clearly, it was not the law's intention that every child should become proficient by 2014 while only half the students graduate.

Moreover, the "safe harbor" provision in the law lowers the graduation rate bar even further. Safe harbor allows schools that miss their graduation rate target to "make" Adequate Yearly Progress, thus meeting federal accountability requirements, by demonstrating a certain amount of improvement in their rate. Unfortunately these state-set safe harbor goals are almost universally insignificant; currently, high schools in thirty-six states can make safe harbor by improving graduation rates by just *0.1 percentage point or less* a year. In an average-sized high school, that translates into a graduating class that increases by one student every four to five years.[1] In three states, high schools can meet their accountability obligations *without making any graduation rate improvement at all* (EPE 2008). In these cases, No Yearly Progress is, effectively, Adequate Yearly Progress.

Endorsing the Achievement Gap

The fundamental intent of NCLB has been consistent since its original introduction as the Elementary and Secondary Education Act of 1965 (ESEA): to foster equity in education for students of all backgrounds. Before NCLB, schools reported data that averaged the results for all of their students, and the struggles of historically disadvantaged populations were often masked by the successes of others. Thus, the current law's requirement that schools report "disaggregated" data, meaning data separated out by student subgroups, such as racial, ethnic, and high-poverty populations, was an important step forward in measuring progress towards meeting the original intent of ESEA.

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[1] Determined through Alliance analysis of enrollment data from: National Center for Education Statistics, Common Core of Data "Public Elementary/Secondary School Universe Survey" 2005-06 v.1a.

NCLB also ensures that schools are responsible for improving the test scores of each subgroup to make certain that lower-performing populations are not ignored. Yet when it comes to graduation rates, schools are inexplicably not held accountable for the success of all students; while most states do *report* disaggregated graduation rates, they are only *held accountable* for the overall rate. As a result, as long as the school's average graduation rate meets these weak accountability goals, high schools can make AYP—thereby avoiding negative consequences—despite a consistent, or even a growing, graduation gap between high-performing and low-performing student groups. This can create perverse incentives for schools to focus disproportionate levels of attention and resources on the few students (known as "bubble kids") whose improved performance and attainment will allow the school to achieve the average graduation rate goal, and ignore the dropout rates of subgroups.

Although Congress may have intended that NCLB would require high schools to meet rigorous graduation rate goals in addition to making gains in academic proficiency, flaws in calculation and reporting, and the substandard role of graduation rates (compared to test scores) have undermined this goal. The emphasis on test scores at the expense of graduation rates results in pressure on some schools to give up on struggling students, and to counsel or force them out of school before they bring down school performance.

Dropout Factories and AYP

Fewer than 15 percent of high schools in the United States produce roughly half of the nation's dropouts, and two thirds of all African American and Hispanic dropouts. These so-called "dropout factories" are schools in which the number of seniors is routinely 60 percent or less than the number of freshmen enrolled four years earlier.

A sampling of dropout factories nationwide indicates that about **40 percent of dropout factories make AYP** (Balfanz, Legters, West, and Weber 2007). These chronically low-performing high schools are widely considered to be among the worst in the country, yet there is so little graduation rate accountability in NCLB that the law erroneously characterizes them as successful institutions.

This leads to what Mary Hatwood Futrell, dean of the Graduate School of Education and Human Development at George Washington University, has called the "predictable casualties" of high-stakes accountability. She said, "The expected result is that students who do not perform up to expectations will have to repeat the grade. The practical effect is that dropout rates will increase and fewer students will graduate" (Futrell and Rotberg 2002).

In fact, a rigorous analysis of the test-based accountability system in Texas (which served as the model for NCLB) revealed that "the system is able to produce positive indicators precisely because weaker students are being triaged out of the system before they, in the form of their test scores, can become liabilities to the school's publicly reported ratings" (McNeil et al. 2008). One school examined as part of a case study in this analysis was found to be pushing out at least 40 percent of its students—a result that was representative of several high schools in the district (McNeil et al. 2008). Unless schools are equally invested in supporting all students through high school to graduation, high-stakes testing merely encourages the perception of a school's success instead of the reality of a bright future for every student.

Moving Forward: Four Principles for Positive Accountability

The reauthorization of NCLB provides an important opportunity to reassess the legislation and ensure that the law fulfills its primary intention of making sure that the students with the greatest needs are adequately served. There are several specific steps that policymakers must take to fix the system and alleviate the unintended consequences of weak graduation rate accountability.

1. Implement consistent and accurate calculations of graduation rates to ensure comparability and transparency.

States must be required to adopt a common, accurate calculation to ensure that students, parents, policymakers, and the general public are provided an honest appraisal of what is happening in every school. By no longer allowing inflated rates and obscured numbers, stakeholders at every level will be forced to confront, and begin to address, the dropout crisis. Moreover, being able to accurately compare schools is critical if graduation rates are going to be used (as part of accountability and improvement systems) by policymakers and administrators to identify the lowest-performing schools and allocate resources to the areas most in need. While many state officials have declared intentions to improve their states' graduation rate calculations, a common, federally defined formula is needed to codify those intentions and ensure they are implemented in a consistent manner regardless of political change within the states.

2. Require aggressive, attainable, and uniform annual growth requirements as part of AYP to ensure a minimum, consistent increase in graduation rates.

As currently implemented, NCLB includes no accountability for schools to improve their graduation rates over time. This oversight falls short of the law's goals of leaving no child behind and undermines the role of AYP as a tool for identifying low-performing schools that need support to improve. Instead of continuing to allow high schools to make AYP despite little or no improvement in unsatisfactory graduation rates, states, districts, and high schools should be held accountable for substantial, consistent, and attainable annual increases in graduation rates to ensure that support towards graduation is central to every school and district agenda.

3. Give equal weight to graduation rates and assessments in AYP determinations so that schools have balanced incentives to ensure that their students graduate and to raise their test scores, instead of doing one at the expense of the other.

The true measure of a high school is the level of its success in promoting both achievement and graduation. Setting clear goals for increasing both the quality *and* quantity of graduates removes the perverse incentive to push out students who are having difficulty in reaching "proficiency" on assessments. Graduation rates and test scores should be equivalent measures of a high school's success that are counted equally in determinations of AYP. Instead of rewarding those who give up on low performers, an effective accountability system should leverage the greatest support for those students who are struggling to succeed.

4. Require disaggregation for the reporting and accountability of graduation rates to ensure that school improvement activities focus on all students and close achievement gaps.

In requiring the disaggregation of data, NCLB has highlighted the massive achievement gaps that exist in the American school system. Policymakers must now affirm the importance of every student by holding schools, districts, and states accountable, as they are with test scores, for improving the graduation rates of every student subgroup, instead of only focusing on the

average. The school system should be responsible for the success of every child, regardless of his or her demographic background.

Accurate measurement, transparent reporting, and meaningful accountability for graduation rates can be important levers to ensure every child receives an excellent education. In a global economy that demands an educated workforce, it is no longer acceptable that so few of the nation's high school students—particularly poor and minority students—graduate with a regular diploma. With dropouts earning less, on average, than graduates, the cost of the existing system, to both the students and the country, is far too high. National policy must be adopted that supports rather than undermines good practices at the high school level. Intense emphasis is placed on measuring how students progress through the K–12 education system; equal emphasis must be put on measuring and shaping how they leave it.

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